

2013 National Training Program

Medicare Getting Started



Medicare — Getting Started

Contents

Introduction	1
Getting Started.....	2
Lesson 1 – What Is Medicare?	3
Who Runs Medicare?.....	4
The Four Parts of Medicare	5
Enrolling in Medicare	6
Medicare Card.....	7
How to Enroll in Medicare	8
When to Enroll in Medicare	9
Lesson 2 – Medicare Decisions	11
Decide How You Want to Get Your Medicare Coverage	12
Original Medicare	13
Paying for Medicare Part A (Hospital Insurance).....	14
What You Pay for Inpatient Hospital Stays	15
What You Pay for Skilled Nursing Facility Care	16
Monthly Part B Premium	17
Paying for Part B Services	18
Decision: Should I Keep/Sign-up for Part A?.....	19
Decision: Should I Keep/Sign-up for Part B?.....	20
Lesson 3 – What Is a Medigap Policy?	24
Decision: Do I Need a Medigap Policy?	26
When Is the Best Time to Buy a Medigap Policy?	27
How Do I Find the Right Medigap Policy for Me?.....	28
Lesson 4 – Part C – Medicare Advantage.....	30
How Medicare Advantage Works	31
When Can I Enroll in a Medicare Advantage Plan?	32
Decision: Should I Join a Medicare Advantage Plan?	33
Lesson 5 – Part D – Medicare Prescription Drug Coverage	35
How Medicare Part D Works	36
Who Can Join Part D?.....	37
When Can I Enroll in a Part D Plan?	38

Contents

Choosing a Part D Plan	39
Decision: Should I Enroll in a Part D Plan?	40
Lesson 6 – Help for People With Limited Income and Resources	42
What Is Medicaid?	43
What Are Medicare Savings Programs?	44
Who can Qualify for MSP	45
What Is Extra Help?.....	46
What Is the Children’s Health Insurance Program?.....	47
Decision: Should I Apply for These programs?	48
Lesson 7 – What Resources Are Available to Help?	50
Medicare.gov	51
SocialSecurity.gov	52
HealthCare.gov.....	53
For More Information	55
Key Points to Remember	56
CMS National Training Program Contact Information.....	58
Answer Key.....	59
Acronyms	66
Index.....	67

This module can be presented in 1.5 hours.
Allow approximately 30 more minutes for
discussion, questions and answers, and the
learning activities.



National Training Program



Medicare *Getting Started*

With an Introduction to Medicaid
and the Children's Health
Insurance Program (CHIP)

Medicare Getting Started provides an introduction to Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).

The Centers for Medicare & Medicaid Services (CMS) developed and approved this training module. CMS is the federal agency that administers Medicare, Medicaid, CHIP, and the Health Insurance Marketplace. Information in this module was correct as of May 2013.

To check for an updated version of this training module, visit <http://cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/index.html>.

To check for updates on the new health care legislation, visit www.HealthCare.gov.

To view the Affordable Care Act, visit www.HealthCare.gov/law/full/index.html.

This set of CMS National Training Program materials isn't a legal document. Official Medicare program provisions are contained in the relevant statutes, regulations, and rulings.

Getting Started

- This training can help you make important Medicare decisions
 - Choosing health and prescription drug coverage
 - Timing your decisions
 - To ensure coverage
 - To avoid penalties
- And provides basic information about
 - Medicaid
 - Children's Health Insurance Program (CHIP)
 - Key resources

05/01/2013

Getting Started

2

This training is designed to provide basic information about Medicare and other programs. It provides you with resources to help you make informed decisions about your Medicare coverage.

You have choices in how you get your health and prescription drug coverage.

Your decisions will affect the type of coverage you get.

Timing of your decisions can be important as well. There are certain decisions that are time sensitive to ensure coverage and avoid late enrollment penalties.

What Is Medicare?

- Health insurance for people
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease (ESRD)

05/01/2013

Getting Started

3

President Lyndon Johnson signed the Medicare and Medicaid programs into law July 30, 1965. Medicaid became effective January 1, 1966, and Medicare became effective July 1, 1966. Medicare is the nation's largest health insurance program, currently covering about 52 million Americans.

Medicare is health insurance for three groups of people:

- People who are 65 and older.
- People under 65 with certain disabilities who have been entitled to Social Security disability or Railroad Retirement benefits for 24 months.
 - The 24-month Medicare waiting period does not apply to people disabled by Amyotrophic Lateral Sclerosis (ALS, known as Lou Gehrig's Disease). People with ALS get Medicare the first month they are entitled to disability benefits. This provision became effective on July 1, 2001.
- People of any age who have End-Stage Renal Disease (ESRD), permanent kidney failure requiring dialysis, or a kidney transplant.

Who Runs Medicare?

- It's administered by
 - Centers for Medicare & Medicaid Services (CMS)
- But enrollment is done by
 - Social Security Administration (SSA) for most
 - Railroad Retirement Board (RRB) for railroad retirees

05/01/2013

Getting Started

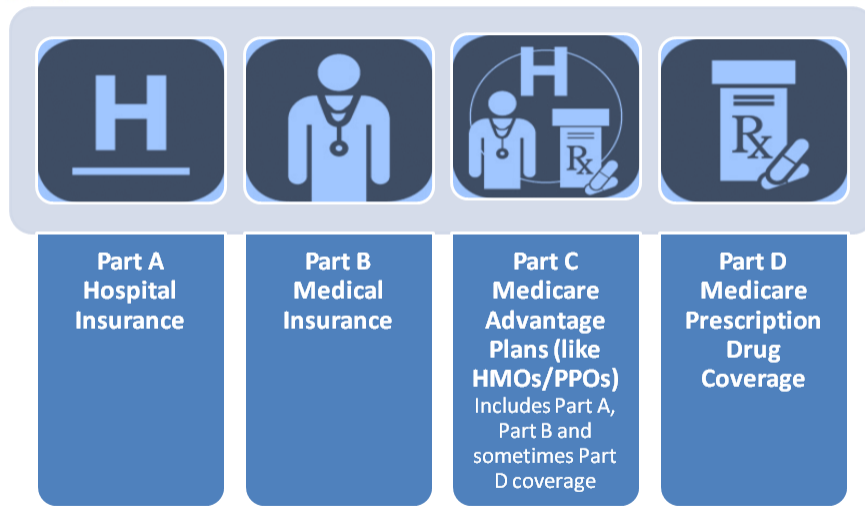
4

The Medicare program is administered by CMS.

However, Social Security is responsible for enrolling you in Medicare.

If you're a railroad retiree, the Railroad Retirement Board (RRB) will handle your enrollment.

The Four Parts of Medicare



05/01/2013

Understanding Medicare

5

Medicare covers many types of services, and you have options for how you get your Medicare coverage. Medicare has four parts:

- **Part A (Hospital Insurance)** helps pay for inpatient hospital stays, skilled nursing facility (SNF) care, home health care, and hospice care.
- **Part B (Medical Insurance)** helps cover medically necessary services like doctor's visits and outpatient care. Part B also covers many preventive services (including screening tests and shots), diagnostic tests, some therapies, and durable medical equipment (DME) like wheelchairs and walkers.
- **Part C (Medicare Advantage)** is another way to get your Medicare benefits. It combines Parts A and B, and sometimes Part D (prescription drug coverage). Medicare Advantage (MA) plans are managed by private insurance companies approved by Medicare. These plans must cover medically necessary services. However, plans can charge different copayments, coinsurance, or deductibles for these services than Original Medicare.
- **Part D (Medicare Prescription Drug Coverage)** helps pay for outpatient prescription drugs and may help lower your prescription drug costs and protect you against higher costs in the future.

Enrolling in Medicare

- Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- Initial Enrollment Period Package
 - Mailed 3 months before
 - Age 65
 - 25th month of disability benefits
 - Includes your Medicare card



05/01/2013

Getting Started

6

If you're already getting Social Security benefits (for example, getting early retirement) you'll automatically be enrolled in Medicare Part A and Part B without an additional application. You'll get your Initial Enrollment Period (IEP) Package, which includes your Medicare card and other information, about 3 months before you turn 65 (coverage begins the first day of the month you turn 65), or 3 months before your 25th month of disability benefits (coverage begins your 25th month of disability benefits).

If you're not getting retirement benefits from Social Security or the RRB, you must sign up to get Medicare. We'll talk about the periods when you can enroll later.

NOTE: *Welcome to Medicare*, CMS Product No. 11095, is pictured on this slide. It is part of the IEP Package.

Medicare Card

- Keep it and accept Medicare Part A and Part B
- Return it to refuse Part B
 - Follow instructions on back of card

Front	Back
 <p>Medicare Health Insurance</p> <p>1-800-MEDICARE (1-800-633-4227)</p> <p>NAME OF BENEFICIARY JANE DOE</p> <p>MEDICARE CLAIM NUMBER 000-00-0000-A</p> <p>SEX FEMALE</p> <p>IS ENTITLED TO HOSPITAL MEDICAL (PART A) (PART B)</p> <p>EFFECTIVE DATE 07-01-1986 07-01-1986</p> <p>SIGN HERE <i>Jane Doe</i></p>	 <p>1. Carry your card with you when you are away from home. 2. Let your hospital or doctor see your card when you require hospital, medical, or health services under Medicare. 3. Your card is good whenever you live in the United States.</p> <p>WARNING: Insert only for use at the same facility. Insert one either at the card is printed and wear the effective date to properly (check) and in record to a valid one.</p> <p>CMS Centers for Medicare & Medicaid Services Attention: MCO (1-800-633-4227) From: Data Web (2008)</p> <p>If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227) or visit us at www.medicare.gov.</p> <p>TTY: 1-800-633-4227</p> <p>I DO NOT WANT MEDICAL INSURANCE <input type="checkbox"/> Check Here</p> <p>Written Signature (or Legal Representative)</p> <p>SIGN HERE</p> <p>Signature by Mark (X) Must Be Witnessed</p> <p>Signature of Witness</p> <p>Address of Witness</p> <p>If you DO NOT want Medical Insurance</p> <p>1. Check the box above (top right), sign your name, and return the entire form in the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it when you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.</p> <p>2. Since you are entitled to Hospital Insurance even though you do not want Medical Insurance, we will send you a new card showing that you have Hospital Insurance only.</p>
05/01/2013	Getting Started 7

When you have Original Medicare, you use your red, white, and blue Medicare card when you get health care services. The Medicare card shows the type of Medicare coverage you have (Part A and/or Part B) and the date the coverage started. Your card may look slightly different from this one; it's still valid.

The Medicare card also shows your Medicare claim number. For most people, the claim number has nine numerals and one letter. There also may be a number or another letter after the first letter. The nine numerals show which Social Security record your Medicare is based on. The letter or letters and numbers tell how you're related to the person with that record. For example, if you get Medicare on your own Social Security record, you might have the letter "A," "T," or "M" depending on whether you get both Medicare and Social Security benefits or Medicare only. If you get Medicare on your spouse's record, the letter might be a "B" or a "D." For railroad retirees, there are numbers and letters in front of the Social Security number. These letters and numbers have nothing to do with having Medicare Part A or Part B. You should contact Social Security (or the RRB if you receive railroad retirement benefits) if any information on the card is incorrect.

If you don't want Part B, follow the directions and return the card. We will talk more about why you might want to delay taking Part B later.

If you choose another Medicare health plan, your plan may give you a card to use when you get health care services and supplies.

How to Enroll in Medicare

- Enrollment is automatic
 - If you get Social Security or RRB benefits
- If enrollment isn't automatic
 - For instance, you're still actively working
 - You need to enroll with Social Security
 - Visit local office
 - Call 1-800-772-1213
 - Online at www.socialsecurity.gov
 - If retired from Railroad enroll with RRB
 - Call your local RRB office or 1-877-772-5772

05/01/2013

Getting Started

8

If you aren't getting Social Security or RRB benefits (for instance, because you're still working), you'll need to sign up for Part A (even if you're eligible to get it premium-free). You should contact Social Security 3 months before you turn 65. If you worked for a railroad, contact the RRB to sign up.

Social Security advises people to apply for Medicare benefits 3 months before age 65. You don't have to be retired to get Medicare. The full retirement age for Social Security retirement benefits is now 66 (for persons born between 1943 and 1954) and will gradually increase to 67 for persons born in 1960 or later. However, you can still receive full Medicare benefits at age 65.

When to Enroll in Medicare

- You don't have to be retired
- Your Initial Enrollment Period (IEP) lasts 7 months
 - Begins 3 months before your 65th birthday
 - Includes the month you turn 65
 - Ends 3 months after you turn 65
- There are other times you may enroll
 - But you may pay a penalty if you delay

05/01/2013

Getting Started

9

If you're not automatically enrolled, you can choose to sign up for Part B during your Initial Enrollment Period (IEP).

You can sign up for Part B any time during your 7-month IEP that begins 3 months before the month you become eligible for Medicare. You can choose whether or not to enroll in Part B. If you enroll in Part B, you pay a monthly premium.

Sign up during the first 3 months of your IEP to get your Part B coverage effective the month you turn 65. If you wait to sign up until the last 4 months of your IEP, your Part B start date will be delayed.

There are other times you may enroll, but you may have to pay a penalty if you delay.

NOTE: If your birthday is the first day of the month, your coverage will start the first day of the prior month if you apply within the first 2 months of your IEP.

Check Your Knowledge
Lesson 1 – What Is Medicare?



Answer the following questions:

1. Which agencies are responsible for Medicare enrollment? Select all that apply.

- a. Centers for Medicare & Medicaid Services (CMS)
- b. Social Security Administration (SSA)
- c. Veterans Administration (VA)
- d. Railroad Retirement Board (RRB)

2. There are four parts of Medicare. Match the part to the appropriate description.

- | | |
|-----------|---|
| a. Part A | _____ Medicare Prescription Drug Coverage |
| b. Part B | _____ Hospital Insurance |
| c. Part C | _____ Medical Insurance |
| d. Part D | _____ Medicare Advantage plans |



Refer to page 59 to check your answers.

Medicare Decisions

- Original Medicare or Medicare Advantage?
- Should I keep/sign up for Part A?
- Should I take Part B? When?
- What about Part D?
- Do I need a Medigap policy?
- Can I get help with Medicare costs?



05/01/2013

Getting Started

11

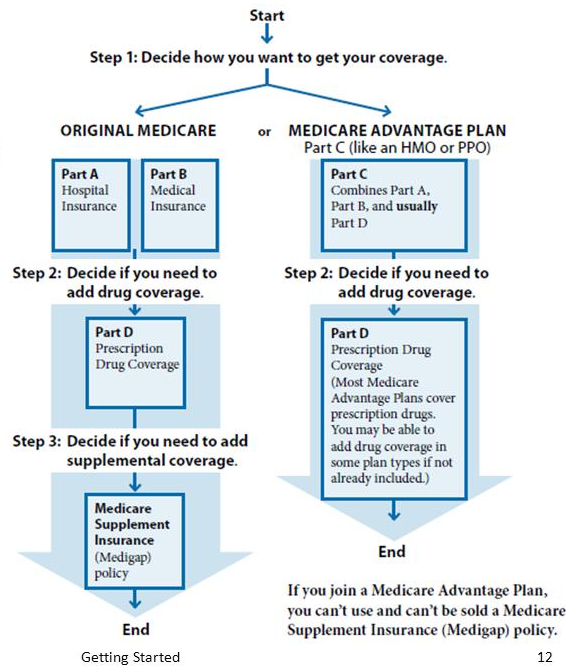
There are some decisions you'll need to make about your Medicare coverage, including the following:

- Do I want Original Medicare or a Medicare Advantage (MA) plan?
- Should I keep/sign up for Part A?
- Should I take Part B? When?
- What about Part D?
- Do I need a Medigap policy?
- Can I get help with Medicare costs?

Decide How You Want to Get Your Medicare Coverage

Source: Page 14 of the Medicare & You handbook

05/01/2013



Choosing how you get your Medicare coverage is an important decision. There are two main ways you can get Medicare. There is Original Medicare and there are Medicare Advantage (MA) plans, like Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs). Many of the decisions you need to make will depend on how you choose to get your Medicare health care.

Original Medicare is a fee-for-service program managed by the federal government. It provides you with your Medicare Part A and/or Part B benefits. You will be in Original Medicare unless you choose to join another Medicare health plan. About 75 percent of people with Medicare have Original Medicare. With Original Medicare, you can go to any doctor, supplier, hospital, or facility that accepts Medicare and is accepting new Medicare patients. You use your red, white, and blue Medicare card when you get health care.

MA plans are health plan options approved by Medicare. MA plans are offered in many areas of the country by private companies that sign a contract with Medicare. Medicare pays a set amount of money to plans each month for their members' health care. If you choose an MA plan, you still have Medicare and you still get all the regular Medicare-covered services offered under Part A and Part B. You may also get additional benefits offered through the plan, including Medicare prescription drug coverage. However, you may have to use doctors and hospitals that belong to the plan. Benefits and cost-sharing may also be different than in Original Medicare and may vary from plan to plan. If you choose an MA plan, your plan may give you a card to use when you get health care services and supplies.

Original Medicare

- Part A – Hospital Insurance helps cover

- Inpatient hospital care
- Skilled nursing facility care
- Home health care
- Hospice care



- Part B – Medical Insurance helps cover

- Doctor's visits
- Outpatient medical services
- Clinical lab tests
- Durable medical equipment
- Preventive services



05/01/2013

Getting Started

13

Medicare Part A (hospital insurance) helps pay for medically necessary inpatient services.

- **Hospital inpatient care** — Semi-private room, meals, general nursing, other hospital services and supplies, as well as care in inpatient rehabilitation facilities and inpatient mental health care in a psychiatric hospital (lifetime 190-day limit).
- **Skilled nursing facility (SNF) care** (not custodial or long-term care) — Under certain conditions.
- **Home health care** — A doctor, or certain health care providers who work with the doctor, must see you face-to-face to certify that you need home health services. You must be homebound, which means that leaving home is a major effort.
- **Hospice care** — Your doctor must certify that you're expected to live 6 months or less. Coverage includes drugs for pain relief and symptom management; medical, nursing, and social services; as well as services Medicare usually doesn't cover, such as grief counseling.
- **Blood** — In most cases, if you need blood as an inpatient, you won't have to pay or replace it.

Medicare Part B covers medically necessary outpatient services and supplies.

- **Doctors' services** — Services that are medically necessary.
- **Outpatient medical and surgical services and supplies** — For approved procedures like X-rays or stitches.
- **Durable medical equipment (DME)** — Equipment such as walkers and wheelchairs.
- **Preventive services** — Services such as exams, tests, screening and shots to prevent, find, or manage a medical problem.

Paying for Medicare Part A (Hospital Insurance)

- What does Part A cost?
 - Most people get Part A premium free
 - If you or your spouse paid FICA taxes at least 10 years
 - If you paid FICA less than 10 years
 - You can pay a premium to get Part A
 - You may have penalty
 - If not bought when first eligible

05/01/2013

Getting Started

14

You usually don't pay a monthly premium for Part A coverage if you or your spouse paid Medicare taxes while working. This is sometimes called premium-free Part A.

If you aren't eligible for premium-free Part A, you may be able to buy Part A if

- You're 65 or older, and you have (or are enrolling in) Part B and meet the citizenship and residency requirements; or
- You're under 65, disabled, and your premium-free Part A coverage ended because you returned to work. If you're under 65 and disabled, you can continue to get premium-free Part A for up to 8 1/2 years after you return to work.

In most cases, if you choose to buy Part A, you must also have Part B and pay monthly premiums for both. The amount of the premium depends on how long you or your spouse worked in Medicare-covered employment.

In 2013, the Part A premium for a person who has worked less than 30 quarters of Medicare-covered employment is \$441 per month. The premium for a person who has worked 30-39 quarters is 45 percent of that amount, or \$243 per month. SSA determines if you have to pay a monthly premium for Part A.

If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, your monthly premium may go up 10 percent. You'll have to pay the higher premium for twice the number of years you could have had Part A, but didn't sign up.

Need More Information?

If you have limited income and resources, your state may help you pay for Part A and/or Part B.

Call Social Security at 1-800-772-1213 for more information about the Part A premium. TTY users should call 1-800-325-0778.



What You Pay for Inpatient Hospital Stays

For Each Benefit Period in 2013	You Pay
Days 1-60	\$1,184 deductible
Days 61-90	\$296 per day
Days 91-150	\$592 per day (60 lifetime reserve days)
All days after 150	All Costs

05/01/2013

Getting Started

15

A benefit period is the way that Original Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you're admitted as an inpatient in a hospital or SNF. The benefit period ends when you haven't received any inpatient hospital care (or skilled care in an SNF) for 60 days in a row. If you go into a hospital or an SNF after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There's no limit to the number of benefit periods.

For each benefit period in 2013, you pay the following:

- \$1,184 deductible for a hospital stay of 1-60 days;
- \$296 per day for days 61-90 of a hospital stay;
- \$592 per day for days 91-150 of a hospital stay (Lifetime Reserve Days). Original Medicare will pay for a total of 60 extra days—called "lifetime reserve days"—when you're in a hospital more than 90 days during a benefit period. Once these 60 reserve days are used, you don't get any more extra days during your lifetime; and
- All costs for each day beyond 150 days.

What You Pay for Skilled Nursing Facility Care

For Each Benefit Period in 2013	You Pay
Days 1-20	\$0
Days 21-100	\$148 per day
All days after 100	All Costs

05/01/2013

Getting Started

16

Medicare covers semi-private rooms, meals, skilled nursing and rehabilitative services, and other medically necessary services and supplies after a 3-day minimum medically necessary inpatient hospital stay for a related illness or injury. An inpatient hospital stay begins the day you're formally admitted with a doctor's order and doesn't include the day you're discharged. To qualify for care in a skilled nursing facility (SNF), your doctor must certify that you need daily skilled care like intravenous injections or physical therapy. You can qualify for skilled nursing care again every time you have a new benefit period.

SNF care is covered in full for the first 20 days when you meet the requirements for a Medicare-covered stay. In 2013, under Original Medicare, you pay \$148 per day for days 21-100 each benefit period. You pay all costs for each day after day 100 in a benefit period.

Monthly Part B Premium

If Your Yearly Income in 2011 was		In 2013 You Pay
File Individual Tax Return	File Joint Tax Return	
\$85,000 or less	\$170,000 or less	\$104.90
\$85,000.01 – \$107,000	\$170,000.01 – \$214,000	\$146.90
\$107,000.01 – \$160,000	\$214,000.01 – \$320,000	\$209.80
\$160,000.01 – \$214,000	\$320,000.01 – \$428,000	\$272.70
Above \$214,000	Above \$428,000	\$335.70
*per month		

Note: Premiums are usually deducted from your Social Security benefit payment

05/01/2013

Getting Started

17

You pay the Part B premium each month. Most people will pay the standard premium amount, which is \$104.90, in 2013. However, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago (the most recent tax return information provided to Social Security by the IRS) is above a certain amount, you may pay more. Below are the 2013 Part B premiums based on the modified adjusted gross income for an individual. The income ranges for joint returns are double that of individual returns.

- Below \$85,000, the Part B premium is \$104.90 per month;
- \$85,000-\$107,000, the Part B premium is \$146.90 per month;
- \$107,000-\$160,000, the Part B premium is \$209.80 per month;
- \$160,000-\$214,000, the Part B premium is \$272.70 per month; and
- Greater than \$214,000, the Part B premium is \$335.70 per month.

If you have to pay a higher amount for your Part B premium and you disagree (for example, if your income goes down), call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

NOTE: Remember that this premium may be higher if you didn't choose Part B when you first became eligible. The cost of Part B may go up 10 percent for each 12-month period that you could have had Part B but did not take it. An exception would be if you or your spouse (or family member if you're disabled) is still employed and you're covered by a group health plan (GHP) through that employment. In that case, you're eligible to enroll in Part B during a Special Enrollment Period. You won't pay a penalty.

Paying for Part B Services

- In Original Medicare you pay
 - Yearly deductible of \$147 in 2013
 - 20% coinsurance for most services
- Programs may help pay these costs
 - If you have limited income and resources

05/01/2013

Getting Started

18

If you have Original Medicare, you pay the Part B deductible, which is the amount a person must pay for health care each calendar year before Medicare begins to pay. This amount can change every year in January. The 2013 Part B deductible is \$147 per year. This means that you must pay the first \$147 of your Medicare-approved medical bills in 2013 before Part B starts to pay for your care.

After you meet your deductible, you pay some copayments or coinsurance for Part B services. The amount depends on the service, but is typically 20 percent of the Medicare-approved amount of the service, if the doctor or other health care provider accepts assignment. There's no yearly limit for what you pay out-of-pocket.

If you can't afford to pay these costs, there are programs that may help. These programs are discussed later in this presentation.

NOTE: You pay nothing for most preventive services if you get the services from a doctor or other qualified health care provider who accepts assignment. However, for some preventive services, you may have to pay a deductible, coinsurance, or both.

Decision: Should I keep/sign up for Part A?

- Consider **In Most Cases**
 - You get it automatically if getting Social Security/RRB
 - It's premium free for most people
 - You can pay for it if work history isn't sufficient
 - There may be a penalty if you delay
 - If you/your spouse is actively working and covered by employer plan
 - Contact Social Security to sign up
- Maybe not if you have a Health Savings Account

05/01/2013

Getting Started

19

In most cases, you should consider signing up for Part A if you're eligible to get it premium-free. You usually don't pay a monthly premium for Part A coverage if you or your spouse paid Medicare taxes while working.

If you aren't eligible for premium-free Part A, you may be able to buy Part A if

- You're 65 or older, and you have (or are enrolling in) Part B and meet the citizenship and residency requirements; or
- You're under 65, disabled, and your premium-free Part A coverage ended because you returned to work.

If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, your monthly premium may go up 10 percent. You'll have to pay the higher premium for twice the number of years you could have had Part A, but didn't sign up. The 10 percent premium surcharge will apply only after 12 months have elapsed from the last day of the Initial Enrollment Period (IEP) to the last date of the enrollment period you used to enroll. In other words, if it is less than 12 months, the penalty won't apply. This penalty won't apply to you if you're eligible for a Special Enrollment Period. You're eligible for a Special Enrollment Period if you or your spouse (or family member if you're disabled) is working, and covered by a group health plan (GHP) through the employer or union based on that work, or during the 8-month period that begins the month after the employment ends or the GHP coverage ends, whichever happens first.

You may want to delay enrolling in Part A if you continue to work and want to continue to contribute to your Health Savings Account (HSA). Once you enroll in Medicare, you can no longer contribute to your HSA. See IRS Publication 969 for more information.

Decision: Should I keep/sign up for Part B?

- Consider It Depends
 - Automatic if getting Social Security/RRB benefits
 - Most people pay a monthly premium
 - Usually deducted from SSA/RRB benefits
 - Amount depends on income
 - It may supplement employer coverage

05/01/2013

Getting Started

20

If you're already getting Social Security benefits (for example, getting early retirement), you'll automatically be enrolled in Medicare Part A and Part B without an additional application. You'll get your Initial Enrollment (IEP) Package, which includes your Medicare card and other information, about 3 months before you turn 65 (coverage begins the first day of the month you turn 65), or 3 months before your 25th month of disability benefits (coverage begins your 25th month of disability benefits).

The Part B premium is deducted from monthly Social Security, Railroad Retirement, or federal retirement payments. The amount depends on your income.

People who don't get a retirement payment or whose payment isn't enough to cover the premium get a bill from Medicare for the Part B premiums. The bill can be paid by credit card, check, or money order.

Having employer or union coverage while you or your spouse, or family member if you're disabled, is still working can affect your Part B enrollment rights. This includes federal or state employment, but not military service. You should contact your employer or union benefits administrator to find out how your insurance works with Medicare and if it would be to your advantage to delay Part B enrollment.

Should I keep/sign up for Part B?

- Sometimes you must have Part B
 - If you want to buy a Medigap policy
 - If you want to join a Medicare Advantage Plan
 - If you're eligible for TRICARE
 - If your employer coverage requires you have it
 - Talk to your employer's benefits administrator
- With Veterans benefits it's optional
 - But you pay a penalty if you sign up late or if you don't sign up during your Initial Enrollment Period

05/01/2013

Getting Started

21

Sometimes you must have Part B for the following:

- If you want to buy a Medigap policy;
- If you want to join a Medicare Advantage (MA) plan;
- If you're eligible for TRICARE*; or
- If your employer coverage requires you have it (talk to your employer's benefits administrator).

With veteran's benefits, it's optional, but you pay a penalty if you sign up late or if you don't sign up during your Initial Enrollment Period (IEP).

*You must have Part A and Part B to keep your TRICARE coverage (coverage for active-duty military or retirees and their families). However, if you're an active-duty service member, or the spouse or dependent child of an active-duty service member, you don't have to enroll in Part B to keep your TRICARE coverage. When the active-duty service member retires, you must enroll in Part B to keep your TRICARE coverage. You can get Part B during a Special Enrollment Period if you have Medicare because you are 65 or older, or you are disabled.

Decision: Should I keep/sign up for Part B?

- If you don't have coverage from active employment
 - Yours or your spouses **Probably**
 - Delaying Part B may mean
 - Higher premiums
 - Paying for your health care out-of-pocket
- If you do have coverage through active employment
 - You may want to delay Part B
 - No penalty if you enroll while you have coverage or within 8 months of losing coverage **Maybe Not**

05/01/2013

Getting Started

22

If you don't take Part B when you're first eligible, you may have to wait to sign up during the annual General Enrollment Period, which runs from January 1 through March 31 of each year. Your coverage will be effective July 1 of that year.

If you don't take Part B when you're first eligible, you'll have to pay a premium penalty of 10 percent for each full 12-month period you could have had Part B but didn't sign up for it, except in special situations. In most cases, you'll have to pay this penalty for as long as you have Part B.

Having coverage through an employer (including federal or state employment, but not military service) or union while you or your spouse (or family member if you're disabled) is still working can affect your Part B enrollment rights. If you're covered through active employment (yours or your spouses), you have a Special Enrollment Period. This means you can join Part B anytime that you or your spouse (or family member if you're disabled) is working, and covered by a group health plan (GHP) through the employer or union based on that work, or during the 8-month period that begins the month after the employment ends or the GHP coverage ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period. This Special Enrollment Period doesn't apply to people with End-Stage Renal Disease (ESRD).

You should contact your employer or union benefits administrator to find out how your insurance works with Medicare and if it would be to your advantage to delay Part B enrollment.



Answer the following questions:

1. Which is **not** covered under Medicare Part B?

- a. Durable medical equipment (DME)
- b. Skilled nursing facility (SNF) care
- c. Doctor's visits
- d. Preventive services



2. True or False: Everyone who gets Part B pays the same monthly premium.

- a. True
- b. False



Refer to page 60 to check your answers.

What Is a Medigap Policy?

- Medicare Supplement Insurance Policies
 - Sold by private companies
- Fill the gaps in Original Medicare
 - Deductibles, coinsurance, copayments
- Standardized plans in all but three states
 - Minnesota, Massachusetts, Wisconsin
- All plans with same letter
 - Have same coverage
 - Only the costs are different

05/01/2013

Getting Started

24

Medigap (Medicare Supplement Insurance) policies are sold by private insurance companies to help pay for gaps in Original Medicare coverage (like deductibles, coinsurance, and copayments). They are private health insurance policies that cover only the policyholder, not the spouse. If you have Original Medicare and a Medigap policy, you can go to any doctor, hospital, or other health care provider that accepts Medicare. Medigap policies may cover certain things Medicare doesn't, depending on the Medigap plan. They must follow federal and state laws that protect people with Medicare.

In all states except Massachusetts, Minnesota, and Wisconsin, Medigap policies must be one of the standardized Plans A, B, C, D, F, G, K, L, M, or N so they can be easily compared. Each plan has a set of benefits that are the same for any insurance company. It's important to compare Medigap policies, because costs can vary. Each company decides which Medigap policies it will sell and the price for each plan, with state review and approval.

A Medigap policy only works with Original Medicare and does not work with Medicare Advantage (MA) or other Medicare health plans. It's illegal for anyone to sell you a Medigap policy if you

- Are in an MA plan (unless your enrollment is ending);
- Have Medicaid (unless Medicaid pays for your Medigap policy or only pays your Part B premium); or
- Already have a Medigap policy (unless you cancel your old Medigap policy).

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance and Hospital Costs (up to an additional 365 days)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B Coinsurance	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Hospice Care Coinsurance	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled Nursing Coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A Deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B Deductible			100%		100%					
Part B Excess Charges					100%	100%				
Foreign Travel Emergency (Up to Plan Limits)			100%	100%	100%	100%			100%	100%
*Plan F has a high-deductible option							Out-of-pocket limit in 2013			
							\$4,800		\$2,400	
05/01/2013							Getting Started		23	

All Medigap policies cover a basic set of benefits, including the following:

- Medicare Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up;
- Medicare Part B coinsurance or copayment;
- Blood (first three pints); and
- Part A hospice care coinsurance or copayment.

In addition, each Medigap Plan covers different benefits:

- The skilled nursing facility (SNF) care coinsurance is covered by Medigap Plans C, D, F, G, K (at 50 percent), L (at 75 percent), M, and N;
- The Medicare Part A deductible is covered by Medigap Plans B, C, D, F, G, K (at 50 percent), L (at 75 percent), M (at 50 percent), and N;
- The Medicare Part B deductible is covered by Medigap Plans C and F;
- The Medicare Part B excess charges are covered by Medigap Plans F and G; and
- Foreign travel emergency costs up to the plan's limits are covered by Medigap Plans C, D, F, G, M, and N.

NOTE: *Plan F also offers a high-deductible plan.

**Plans K and L have out-of-pocket limits of \$4,800 and \$2,400, respectively, in 2013.

Decision: Do I need a Medigap policy?

- Consider Maybe
 - It only works with Original Medicare
 - Do you have other supplemental coverage?
 - If so, you might not need Medigap
 - Can you afford Medicare deductibles and copayments?
 - What does the monthly Medigap premium cost?

05/01/2013

Getting Started

26

You need to have Original Medicare to get a Medigap policy; Medigap doesn't work with Medicare Advantage (MA).

If you have other coverage that supplements Medicare, you might not need Medigap.

You need to consider whether you can afford Medicare deductibles and copayments and weigh this against how much the monthly Medigap premium costs.

When is the best time to buy a Medigap policy?

Usually during your
Medigap Open Enrollment Period

- Consider
 - Your Medigap Open Enrollment Period begins when you're 65 or older AND enrolled in Part B
 - Lasts 6 months (may vary by state)
 - You have protections – companies MUST sell you a plan
 - You can also buy a Medigap policy whenever a company agrees to sell you one
 - If later, there may be restrictions

05/01/2013

Getting Started

27

Usually the best time to buy a Medigap policy is during your Medigap Open Enrollment Period. It begins when you're 65 and enrolled in Part B. You must also have Medicare Part A to have a Medigap policy.

You have a 6-month Medigap Open Enrollment Period, which gives you a guaranteed right to buy a Medigap policy. Some states may have a longer period. Once this period starts, it can't be delayed or repeated.

During your Medigap Open Enrollment Period companies can't do the following:

- Refuse to sell you any Medigap policy they offer;
- Make you wait for coverage; or
- Charge more because of a past/present health problem.

You may want to apply for a Medigap policy before your Medigap Open Enrollment Period starts, if your current health insurance coverage ends the month you become eligible for Medicare or you reach age 65 in order to have continuous coverage without any break.

You can also buy a Medigap policy whenever a company agrees to sell you one. However, there may be restrictions, such as medical underwriting or a waiting period for preexisting conditions.

How do I find the right Medigap policy for me?

- Compare plans by computer or phone
 - Visit www.medicare.gov
 - Use the Medigap comparison tool
 - Call 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
 - Call your State Health Insurance Assistance Program (SHIP)

05/01/2013

Getting Started

28

The benefits in any Medigap plan identified with the same letter are the same regardless of which insurance company you purchase your policy from. So for instance, all Medigap Plan A policies offer the same benefits. Different insurance companies may charge different premiums for the same exact policy. As you shop for a policy, be sure you're comparing the same policy (for example, compare Plan A from one company with Plan A from another company).

You can find a Medigap policy in your area by computer or phone:

- Visit www.medicare.gov and use the Medigap comparison tool.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (SHIP) for free counseling to help you compare Medigap policies.

To buy a Medigap policy, follow these four steps.

1. Decide which Medigap Plan A through N has the benefits you need.
2. Find out which insurance companies sell Medigap policies in your state by calling your SHIP, your State Insurance Department, or visit www.medicare.gov.
3. Call the insurance companies and shop around for the best policy at a price you can afford.
4. Buy the Medigap policy. Once you choose the insurance company and the Medigap policy, apply for the policy. The insurance company must give you a clearly worded summary of your Medigap policy when you apply.

Check Your Knowledge
Lesson 3 – What Is a Medigap Policy?



Answer the following questions:

1. If you enroll in a Medicare Advantage (MA) plan, would you benefit from purchasing a Medigap policy?

- a. Yes
- b. No



2. Which of the following benefits are covered by all Medigap policies? Select all that apply.
- a. Part A hospice care coinsurance or copayment
 - b. Medicare Part B coinsurance or copayment
 - c. Medicare Part A deductible
 - d. Skilled nursing facility (SNF) care coinsurance



Refer to page 61 to check your answers.

Part C – Medicare Advantage



- Health plan options approved by Medicare
 - Another way to get Medicare coverage
 - Still part of the Medicare program
 - Run by private companies
- Medicare pays plan an amount
 - For each member's care
- May have to use network doctors or hospitals
- Types of plans available may vary

05/01/2013

Getting Started

30

Medicare Advantage (MA) plans are health plan options approved by Medicare and run by private companies. MA is also called Part C.

MA plans are part of the Medicare program; they are just another way to get Medicare coverage.

Medicare pays the plan a certain amount for each member's care.

If you join an MA plan, you may have to use a network of doctors and/or hospitals.

There are six main types of MA plans. Not all types of plans are available in all areas. They are as follows:

- Medicare HMO plans;
- Medicare PPO plans;
- Medicare Private Fee-for-Service plans;
- Medicare Special Needs plans;
- HMO Point-of-Service plans; and
- Medicare Medical Savings Account plans.

How Medicare Advantage Works



- Still in Medicare with all rights and protections
- Still get Part A and Part B services
- May include prescription drug coverage
- May include extra benefits
 - Like vision or dental
- Benefits and cost-sharing may be different

05/01/2013

Getting Started

31

If you join a Medicare Advantage (MA) plan, you

- Are still in Medicare with all rights and protections;
- Still get Part A and Part B covered services;
- May have prescription drug coverage included;
- May get extra benefits like vision or dental included; and
- Pay different amounts and may have different benefits.

When Can I Enroll in an MA Plan?

- During your 7-month Initial Enrollment Period
- During the yearly Open Enrollment Period
 - October 15 – December 7 each year
 - Coverage begins January 1
- May be able to join at other times
 - Special Enrollment Period
- Contact the plan to join
 - Call their number
 - Visit their website
 - Use the Medicare Plan Finder at www.medicare.gov

05/01/2013

Getting Started

32

You can join a Medicare Advantage (MA) plan when you first become eligible for Medicare, during your IEP, which begins 3 months immediately before your first entitlement to both Medicare Part A and Part B, or during the annual Open Enrollment Period, and in certain special situations that provide a Special Enrollment Period. You can only join one MA plan at a time, and enrollment in a plan is generally for a calendar year.

You can switch to another MA plan or to Original Medicare during the annual Open Enrollment Period, which runs from October 15 through December 7 each year.

If you belong to an MA plan, you can switch back to Original Medicare from January 1 through February 14 each year. If you go back to Original Medicare during this time, coverage under Original Medicare will take effect on the first day of the month following the date on which the election or change was made. To disenroll from an MA plan and return to Original Medicare during this period, you must make a request directly to the MA organization, call 1-800-MEDICARE, or enroll in a standalone Prescription Drug Plan (PDP). If you make this change, you may also join a Medicare PDP to add drug coverage.

MA plans are available to most people with Medicare. To be eligible to join an MA plan, you must live in the plan's geographic service area or continuation area, have Medicare Part A and Part B, and not have End-Stage Renal Disease (ESRD). People with ESRD usually can't join an MA plan or other Medicare health plan. However, there are some exceptions.



Need More Information?

To find out what MA plans are available in your area, visit www.medicare.gov/find-a-plan to use the Medicare Plan Finder, or call 1-800-MEDICARE (1-800-633-4227).

Decision: Should I join a Medicare Advantage Plan?

- Consider It Depends
 - You must have Part A and Part B to join
 - Most offer comprehensive coverage
 - Including Part D drug coverage
 - May require you to use a network
 - May need a referral to see a specialist
 - You must pay Part B and monthly plan premium
 - Can only join/leave plan during certain periods
 - Doesn't work with Medigap policies

05/01/2013

Getting Started

33

There are things to consider when deciding if you want to join a Medicare Advantage (MA) plan:

- Must have Part A and Part B to join;
- Most plans offer comprehensive coverage;
 - Including Part D drug coverage
- May require you to use a network;
- May need a referral to see a specialist;
- You must pay Part B premium and monthly plan premium;
- Can only join/leave plan during certain periods; and
- Doesn't work with Medigap policies.

MA plans are available to most people with Medicare. To be eligible to join an MA plan, you must live in the plan's geographic service area or continuation area, have Medicare Part A and Part B, and not have End-Stage Renal Disease (ESRD). People with ESRD usually can't join an MA plan or other Medicare health plan. However, there are some exceptions.

Check Your Knowledge
Lesson 4 – Part C – Medicare Advantage

Answer the following questions:

1. Medicare Advantage (MA) plans are also known as

- a. Part A
- b. Part B
- c. Part C
- d. Part D



2. True or False: If you enroll in an MA plan, you are no longer considered to be in the Medicare program.

- a. True
- b. False



Refer to page 62 to check your answers.

Part D – Medicare Prescription Drug Coverage

- Available for all people with Medicare
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans
 - Some other Medicare health plans



05/01/2013

Getting Started

35

Medicare Part D is Medicare Prescription Drug Coverage. Part D coverage is provided through Medicare PDPs, Medicare Advantage (MA) plans, and other Medicare health plans.

How Medicare Part D Works

- It's optional
 - You can choose a plan and join
- Plans have formularies
 - Lists of covered drugs
 - Must include range of drugs in each category
- You pay the plan a monthly premium
- You pay deductibles and copayments
- There is Extra Help to pay Part D costs
 - If you have limited income and resources

05/01/2013

Getting Started

36

Medicare contracts with private insurance companies that offer Prescription Drug Plans (PDPs) to people with Medicare. Everyone with Medicare can join a Medicare drug plan. In most cases, you must enroll in a Medicare drug plan to get Medicare prescription drug coverage.

Each plan has a formulary, or list of covered drugs. The formulary for each plan must include a range of drugs in the most commonly prescribed categories. This makes sure that people with different medical conditions can get the treatment they need. All Medicare drug plans generally must cover at least two drugs in each category of drugs, but plans can choose which specific drugs are covered in each category.

Costs vary depending on the plan. Most people will pay a monthly premium for Medicare prescription drug coverage. You will also pay a share of the cost of your prescriptions, including a deductible (if the plan has one), copayments, and/or coinsurance. All Medicare drug plans have to provide at least a standard level of coverage set by Medicare. However, some plans might offer more coverage and additional drugs, generally for a higher monthly premium.

People with limited income and resources may be able to get Extra Help paying for their Medicare drug plan costs.

Who Can Join Part D?

- You must have Part A and/or Part B
- You must live in the plan's service area
- You can't live outside the U.S.
- You must actively enroll to join
 - In most cases no automatic enrollment
 - You must apply

05/01/2013

Getting Started

37

Anyone who has Medicare Part A and/or Part B is eligible to join a Medicare drug plan.

You must live in the plan's service area to enroll.

You can't live outside the United States or be incarcerated.

In most cases, you must enroll in the plan yourself by applying. Some people with limited income and resources are automatically enrolled.

When Can I Enroll in a Part D Plan?

- During your 7-month Initial Enrollment Period
- During the yearly Open Enrollment Period
 - October 15 – December 7 each year
 - Coverage begins January 1
- May be able to join at other times
 - Special Enrollment Period

05/01/2013

Getting Started

38

You can join a Medicare drug plan when you first become eligible for Medicare, during your Initial Enrollment Period (IEP), which begins 3 months immediately before your first entitlement to both Medicare Part A and Part B.

The yearly Open Enrollment Period is between October 15 and December 7 each year. Anyone eligible can join, switch, or drop a Medicare drug plan. The change will take effect on January 1 as long as the plan gets your request by December 7.

Generally, you must stay enrolled for the calendar year. However, in certain situations (such as the following), you may be able to join, switch, or drop Medicare drug plans at other times:

- If you permanently move out of your plan's service area;
- If you lose your other creditable prescription drug coverage;
- If you weren't adequately informed that your other coverage wasn't creditable, or that the coverage was reduced so that it's no longer creditable;
- When you enter, live at, or leave a long-term care facility like a nursing home;
- If you qualify for Extra Help, you have a continuous Special Enrollment Period and can change your Medicare drug plan at any time; or
- In exceptional circumstances, such as if you no longer qualify for Extra Help.

Choosing a Part D Plan

- Compare plans by computer or phone
 - Use the Medicare Plan Finder at www.medicare.gov
 - Call 1-800-MEDICARE (1-800-633-4227)
 - (TTY 1-877-486-2048)
 - Call your SHIP for help comparing plans
- To join a Part D Plan
 - Enroll at www.medicare.gov
 - Call 1-800-MEDICARE
 - Enroll on the plan's website
 - Call the plan
 - Complete a paper enrollment form

05/01/2013

Getting Started

39

There is help available to find the Medicare drug plan for you. You can use the Medicare Plan Finder at www.medicare.gov/find-a-plan, call 1-800-MEDICARE, or call your State Health Insurance Assistance Program (SHIP).

After you pick a plan that meets your needs, call the company offering it, and ask how to join. You may be able to join online, by phone, or by paper application. You'll have to give the number on your Medicare card when you join.

You can join with the plan directly. All plans must offer paper enrollment applications. Also, plans may let you enroll through their website or over the phone. Most plans also participate and offer enrollment through Medicare's website, www.medicare.gov. You can also call Medicare to enroll at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Plans must process applications in a timely manner, and after you apply, the plan must notify you that it has accepted or denied your application.

Decision: Should I enroll in a Part D plan?

- Consider It Depends
 - Do you have creditable drug coverage?
 - Coverage as good as Medicare's
 - For example, through an employer plan
 - No penalty if you delay
 - Will that coverage end when you retire?
 - How much do your current drugs cost?
 - What do the premiums cost for Part D plans?
- Without creditable coverage
 - Later enrollment may mean you pay a penalty

05/01/2013

Getting Started

40

People who have another source of drug coverage, through a former employer, for example, may choose to stay in that plan and not enroll in a Medicare drug plan. If your other coverage is at least as good as Medicare prescription drug coverage, called “creditable” coverage, you won’t have to pay a higher premium if you later join a Medicare drug plan. Your other plan will notify you to let you know if your coverage is creditable. This notice will explain your options. You can contact your plan’s benefits administrator for more information. Some examples of coverage that may be considered creditable include group health plans (GHPs), State Pharmaceutical Assistance Programs, Veterans Affairs (VA) coverage, and military coverage, including TRICARE.

Even if you don’t take many prescriptions now, you should consider joining a Medicare drug plan. If you decide not to join a Medicare drug plan when you’re first eligible, and you don’t have other creditable prescription drug coverage, or you don’t get Extra Help, you’ll likely pay a late enrollment penalty if you join a plan later.

The cost of the late enrollment penalty depends on how long you didn’t have creditable prescription drug coverage. Currently, the late enrollment penalty is calculated by multiplying 1 percent of the national base beneficiary premium (\$31.17 in 2013) times the number of full, uncovered months that you were eligible but didn’t join a Medicare drug plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and added to your monthly premium. Since the national base beneficiary premium may increase each year, the penalty amount may also increase each year. You may have to pay this penalty for as long as you have a Medicare drug plan.

Check Your Knowledge
Lesson 5 – Part D – Medicare Prescription Drug Coverage



Answer the following questions:

1. True or False: You will automatically be enrolled in Medicare Part D when you turn 65.
 - a. True
 - b. False
2. Where can you get help in finding a Medicare Prescription Drug Plan (PDP)? Select all that apply.
 - a. Call the Social Security Administration (SSA)
 - b. Call your State Health Insurance Assistance Program (SHIP)
 - c. Use the Medicare Plan Finder at www.medicare.gov
 - d. Call 1-800-MEDICARE



Refer to page 63 to check your answers.

Help for People with Limited Income and Resources

- Medicaid
- Medicare Savings Programs
- Extra Help
- Children's Health Insurance Program (CHIP)

05/01/2013

Getting Started

42

There are programs available to help people with limited income and resources pay their health care and/or prescription drug costs. These include Medicaid, Medicare Savings Programs, Extra Help, and the Children's Health Insurance Program (CHIP).

What is Medicaid?

- Federal-state health insurance program
 - For people with limited income/resources
 - Covers most health care costs
 - If you have both Medicare and Medicaid
- Eligibility determined by state
- Application processes and benefits vary
- State office names vary
 - Apply if you MIGHT qualify

05/01/2013

Getting Started

43

Medicaid is a program that helps pay medical costs for some people with limited income and resources. Medicaid is jointly funded by the federal and state governments and is administered by each state. It can cover pregnant women and children; aged, blind, and disabled people; and some other groups, depending on the state.

If you're eligible for both Medicare and Medicaid, most of your health care costs are covered; we sometimes refer to these people as "dually eligible." People with both Medicare and Medicaid get drug coverage from Medicare, not Medicaid. People with Medicaid may get coverage for services that aren't fully covered by Medicare, such as nursing home care and home health care.

Medicaid eligibility is determined by each state, and Medicaid application processes and benefits vary from state to state. You should contact your state Medical Assistance office to see if you qualify.

You should apply if you think you MIGHT qualify. For more information or to apply, you can

- Call 1-800-MEDICARE;
- Call your State Health Insurance Assistance Program (SHIP); or
- Call or visit your state Medical Assistance office.

What are Medicare Savings Programs?

- Help from Medicaid paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- Often higher income and resources amounts than for Medicaid
- Income amounts change each year
- Some states offer their own programs

05/01/2013

Getting Started

44

Medicare Savings Programs provide help from Medicaid paying Medicare costs, including Medicare premiums, deductibles, and/or coinsurance. Medicare Savings Programs often have higher income and resource guidelines than full Medicaid. The income and resource guidelines may change each year.

In most cases, to qualify for a Medicare Savings Program in 2013, you must have the following:

- Part A;
- Monthly income less than \$1,313 and resources less than \$7,080—one person; and
- Monthly income less than \$1,765 and resources less than \$10,620—married and living together.

Many states figure your income and resources differently, so you may qualify in your state even if your income or resources are higher than the amounts listed above. If you have income from working, you may qualify for benefits even if your income is higher than the limits above.

Please see Appendix A for more information about the income guidelines for Medicare Savings Programs.

NOTE: Resources include money in a checking or savings account, stocks, bonds, mutual funds, and Individual Retirement Accounts. Resources don't include your home, car, burial plot, burial expenses up to your state's limit, furniture, or other household items. Some states don't have any limits on resources.

Who Can Qualify For MSP?

Medicare Savings Program	Individual Monthly Income Limit*	Married Couple Monthly Income Limit*	Helps Pay Your
Qualified Medicare Beneficiary (QMB)	\$978	\$1,313	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
Specified Low-Income Medicare Beneficiary (SLMB)	\$1,169	\$1,571	Part B premiums only
Qualifying Individual (QI)	\$1,313	\$1,765	Part B premiums only
Qualified Disabled & Working Individuals (QDWI)	\$3,915	\$5,255	Part A premiums only
05/01/2013 Getting Started 43			

If you qualify for the Qualified Medicare Beneficiary (QMB) program, you get help paying your Part A and Part B premiums, deductibles, co-insurance, and co-pays. To qualify for QMB you must be eligible for Medicare Part A, and have an income not exceeding 100 percent of the Federal Poverty Level (FPL). This will be effective the first month following the month QMB eligibility is approved. Eligibility can't be retroactive. To qualify for the Specified Low-income Medicare Beneficiary (SLMB) program, you must be eligible for Medicare Part A and have an income that is at least 100 percent, but does not exceed 120 percent of the FPL. If you qualify for SLMB, you get help paying for your Part B premium.

To qualify for the Qualified Individual (QI) program, which is federally funded, you must be eligible for Medicare Part A, and have an income not exceeding 135 percent of the FPL. If you qualify for QI, and there are still funds available in your state, you get help paying your Part B premium. Congress only appropriated a limited amount of funds to each state.

To qualify for the Qualified Disabled and Working Individual program, you must be entitled to Medicare Part A because of a loss of disability-based Part A due to earnings exceeding Substantial Gainful Activity, have an income not higher than 200 percent of the FPL and resources not exceeding twice maximum for Supplemental Security Income (SSI) (\$4,000 for an individual and \$6,000 for married couple in 2013), and not be otherwise eligible for Medicaid. If you qualify, you get help paying your Part A premium. If your income is between 150 percent and 200 percent of the FPL, the state can ask you to pay a part of the Medicare Part A premium.

In 2013, the resource limits for the QMB, SLMB, and QI programs are \$7,080 for a single person and \$10,620 for a married person living with a spouse and no other dependents. These resource limits are adjusted on January 1 of each year, based upon the change in the annual consumer price index (CPI) since September of the previous year.

What Is Extra Help?

- Help paying Part D prescription drug costs
- Social Security or state makes determination
- You automatically qualify if you get
 - Both Medicare and full Medicaid
 - Supplemental Security Income (SSI) only
 - Help from Medicare Savings Programs
- You or someone on your behalf can apply

05/01/2013

Getting Started

46

People with Medicare who have limited income and resources may be able to get Extra Help with the costs of Medicare prescription drug coverage. You may qualify for Extra Help, also called the low-income subsidy (LIS), if your yearly income and resources are below these limits in 2013:

- Single person — Income less than \$17,235 and resources less than \$13,330; or
- Married person living with a spouse and no dependents — Income less than \$23,265 and resources less than \$26,580.

These amounts may change each year. You may qualify even if you have a higher income (like if you still work, live in Alaska or Hawaii, or have dependents living with you).

If you qualify for Extra Help and join a Medicare drug plan, you'll get help paying your Medicare drug plan's monthly premium, yearly deductible, coinsurance, and copayments. You'll also have no coverage gap or late enrollment penalty.

Certain groups of people automatically qualify for Extra Help and don't have to apply, including the following:

- People with Medicare and full Medicaid benefits (including prescription drug coverage);
- People with Medicare who get Supplemental Security Income (SSI) only; and/or
- People who get help from Medicaid paying their Medicare premiums (Medicare Savings Programs).

All other people with Medicare must apply for Extra Help. You can apply by filling out a paper application, applying at www.socialsecurity.gov, or contacting your state Medical Assistance office.

What is the Children Health Insurance Program (CHIP)?

- Jointly financed by the Federal and state Governments
 - Administered by each state
- Covers uninsured children up to age 19 and may cover pregnant women
 - Family income too high for Medicaid
- Must be a U.S. citizen
 - Or certain non-citizens lawfully residing in U.S.

05/01/2013

Getting Started

47

The Children's Health Insurance Program (CHIP) was created as part of the Balanced Budget Act of 1997, with strong, bi-partisan support for covering America's uninsured children. CHIP provides low-cost health insurance coverage to children in families who earn too much income to qualify for Medicaid, but not enough to buy private health insurance. Each state has its own program, with its own eligibility rules.

CHIP is jointly financed by the federal and state governments and is administered by the states. Within broad federal guidelines, each state determines the design of its program, eligibility groups, benefit packages, payment levels for coverage, and administrative and operating procedures. Each state has the option to expand Medicaid, create a standalone program, or create a combination program.

You must be a U.S. citizen or certain non-citizen who is lawfully residing in the United States to qualify.

Families that don't currently have health insurance are likely to be eligible, even if the parent(s) are working. This depends, though, on the type and scope of health insurance.

Decision: Should I Apply for These Programs?

- Apply if you MIGHT qualify
- Your State Health Insurance Assistance Program (SHIP) can help you

Yes

05/01/2013

Getting Started

48

You should apply for these programs if you have limited income and resources. Even if you're not sure you qualify, you should apply.

If you need help, contact your State Health Insurance Assistance Program (SHIP). You can get their phone number from the back of your *Medicare & You* handbook, or from the Helpful Contacts section of the www.medicare.gov website.

Check Your Knowledge
Lesson 6 – Help for People With Limited Income and Resources



Match the program with its description:

- a. Extra Help _____ This program provides low-cost health insurance coverage to children in families who earn too much income to qualify for Medicaid, but not enough to buy private health insurance.
- b. Medicaid _____ This program provides help from Medicaid paying Medicare costs, including Medicare premiums, deductibles, and/or coinsurance; often has higher income and resource guidelines than full Medicaid.
- c. CHIP _____ This program helps people with limited income and resources with the costs of Medicare prescription drug coverage. Also called LIS.
- d. Medicare Savings Program _____ This program helps pay medical costs for some people with limited income and resources; it is jointly funded by the federal and state governments and is administered by each state.



Refer to page 64 to check your answers.

What Resources Are Available to Help?

- Medicare website
 - www.Medicare.gov
- Social Security website
 - www.SocialSecurity.gov
- Health Insurance Marketplace website
 - www.HealthCare.gov

05/01/2013

Getting Started

50

There are a variety of resources available to help you learn more and answer any questions, including the following:

- Medicare website;
 - www.Medicare.gov
- Social Security website; and
 - www.SocialSecurity.gov
- Health Insurance Marketplace website.
 - www.HealthCare.gov



[Medicare.gov](http://www.Medicare.gov) is the official U.S. Government site for people with Medicare. The website is primarily intended for beneficiaries and caregivers. Using the Medicare website, you can

- Compare Medicare health and drug plans;
- Find a doctor, provider, or supplier;
- Compare the quality of health care providers;
- Order publications or read them online;
- Find useful websites, phone numbers, and resources; and/or
- Sign up for [MyMedicare.gov](http://www.MyMedicare.gov).

From the homepage, click on the Find Drug and Health Plans link to go to the Medicare Plan Finder homepage. Using this tool, you can find and compare the Medicare health and drug plans in your area.

If you want personalized help choosing a Medicare health or drug plan, contact your State Health Insurance Assistance Program (SHIP). You can find his/her telephone number on www.Medicare.gov under Forms, Help, and Resources.

SocialSecurity.gov



Many of the links you may need are located on the left side of the page, in the Top Services section. For instance, there are links to apply for benefits, get a Social Security card, get forms or publications, and sign up to get your Social Security Statement online.

You can also access useful web tools by clicking on the Medicare tab at the top of the Social Security Administration (SSA) homepage. Once on the Medicare page, you can apply for Medicare benefits, apply for Extra Help, check the status of your Extra Help application, or replace a lost, stolen, or damaged Medicare card.

- **Applying for Medicare** — Completing an application takes between 10 and 30 minutes, depending on the number of questions you need to answer. You can save your application as you go, so you can take a break and return at any time.
- **Applying for Extra Help** — The application doesn't have to be completed all at once. After you fill in your name and address, you will get a Reentry Number. You'll be able to stop working on the application whenever you want, and then use this Reentry Number to come back. When you've completed the application, you'll get a summary of the information you entered. You can make any necessary changes prior to submission.
- **Replacing a Medicare Card** — If your Medicare card is lost, stolen, or damaged, you can ask for a new one at this website. Your Medicare card will arrive in the mail in about 30 days. It will be mailed to the address Social Security has on file for you. If you need proof that you have Medicare sooner than 30 days, you also can request a letter that you'll get in about 10 days. If you need proof immediately for your doctor or for a prescription, visit your local Social Security office.



If you have friends or family who don't have, or can't afford health insurance, go to www.healthcare.gov for information about the new Health Insurance Marketplace. Through one streamlined application process you can learn about the programs you qualify for.

You can use the website to

- Find out about available insurance options;
- Get help using your insurance; and/or
- Learn about the new health care law.

Check Your Knowledge
Lesson 7 – What Resources Are Available to Help?



Answer the following question:

What website should you visit if you wanted to do the following tasks? Match the website with the task.

- | | |
|---|--|
| a. www.medicare.gov | _____ Apply for Medicare |
| b. www.healthcare.gov | _____ Compare Medicare health and drug plans |
| c. www.socialsecurity.gov | _____ Learn about the new Health Insurance Marketplace |



Refer to page 65 to check your answers.

For More Information

- Medicare & You Handbook
- 1-800-MEDICARE (1-800-633-4227)
 - TTY Users should call 1-877-486-2048
- Your State Health Insurance Assistance Program (SHIP) counselor
- CMS National Training Program
 - <http://cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/index.html>

05/01/2013

Getting Started

55

More information and help is available:

- The *Medicare & You* handbook is mailed to each household with Medicare each fall. It includes a list of the Medicare health and drug plans available in your area.
- The Medicare helpline is open 24 hours a day, including weekends. Call 1-800-MEDICARE (1-800-633-4227). TTY users call 1-877-486-2048.
- You can also contact your State Health Insurance Assistance Program (SHIP). His/her phone number is on the back cover of your *Medicare & You* handbook, or get it under Forms, Help, and Resources on www.medicare.gov.
- Partners can find information from the CMS National Training Program at <http://www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/>

Key Points to Remember

- Medicare is a health insurance program
- It doesn't cover all of your health care costs
- There are other ways to get coverage within the program
- There are programs for people with limited income and resources
- Important
 - Make the right decisions
 - Make them at the right times
 - Get help if you need it

05/01/2013

Getting Started

56

Here are some key points to remember:

- Medicare is a health insurance program.
- It doesn't cover all of your health care costs.
- You have a choice in how you get your coverage.
- There are programs for people with limited income and resources.
- It's important to make the right decisions, at the right times.
- There is help available if you need it.

More Key Points

- **Medicaid**
 - Helps people with limited income and resources
 - Is different in each state
- **The Children's Health Insurance Program**
 - Covers uninsured children
 - Pregnant women (some states)
- **Resources are available to help you learn more and answer questions**

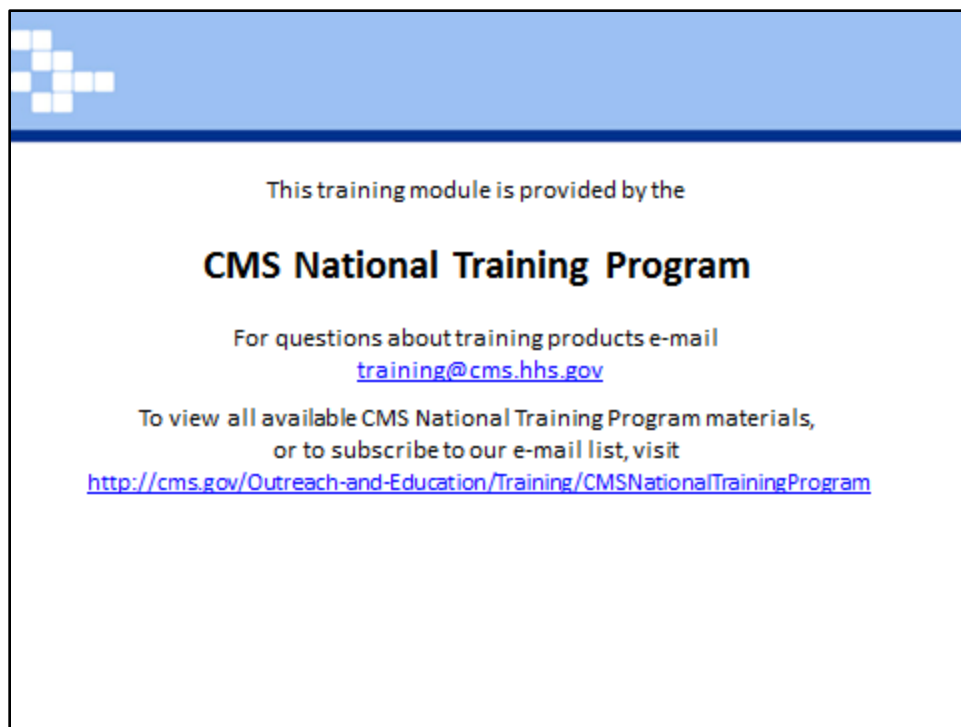
05/01/2013

Getting Started

57

Here are some key points to remember:

- **Medicaid**
 - Helps people with limited income and resources; and
 - Is different in each state.
- **The Children's Health Insurance Program (CHIP)**
 - Covers uninsured children; and
 - Pregnant women.
- **There are resources to help you learn more and answer questions.**



This training module is provided by the CMS National Training Program. For questions about training products, e-mail training@cms.hhs.gov. To view all available CMS National Training Program materials or to subscribe to our e-mail list, visit www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram.

Answer Key

Check Your Knowledge Lesson 1 – What Is Medicare? (from p. 10)



Answer the following questions:

1. Which agencies are responsible for Medicare enrollment? Select all that apply.

- a. Centers for Medicare & Medicaid Services (CMS)
- b. Social Security Administration (SSA)
- c. Veterans Affairs (VA)
- d. Railroad Retirement Board (RRB)

ANSWER: b and d. The Medicare program is administered by CMS. However, SSA is responsible for enrolling you in Medicare. If you're a railroad retiree, RRB will handle your enrollment. (p. 4)



2. There are four parts of Medicare. Match the part of Medicare to the appropriate description.

- | | |
|-----------|--|
| a. Part A | <u> d </u> Medicare Prescription Drug Coverage |
| b. Part B | <u> a </u> Hospital Insurance |
| c. Part C | <u> b </u> Medical Insurance |
| d. Part D | <u> c </u> Medicare Advantage (MA) plans |

ANSWER: See p. 5.

Check Your Knowledge
Lesson 2 – Medicare Decisions
(from p. 23)



Answer the following questions:

1. Which is **not** covered under Medicare Part B?

- a. Durable medical equipment (DME)
- b. Skilled nursing facility (SNF) care
- c. Doctor's visits
- d. Preventive services



ANSWER: b. Medicare Part B covers medically necessary outpatient services and supplies like: doctors' services, outpatient medical and surgical services and supplies, DME, and preventive services. (p. 13)

2. True or False: Everyone who gets Part B pays the same monthly premium.

- a. True
- b. False

ANSWER: b. False. Most people will pay the standard premium amount; however, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay more. (p. 17)

Check Your Knowledge
Lesson 3 – What Is a Medigap Policy?
(from p. 29)



Answer the following questions:

1. If you enroll in a Medicare Advantage (MA) plan, would you benefit from purchasing a Medigap policy?
 - a. Yes
 - b. No



ANSWER: b. No. Medigap doesn't work with MA. (p. 24)

2. Which of the following benefits are covered by all Medigap policies? Select all that apply.
 - a. Part A Hospice care coinsurance or copayment
 - b. Medicare Part B coinsurance or copayment
 - c. Medicare Part A deductible
 - d. Skilled nursing facility (SNF) care coinsurance

ANSWER: a and b. All Medigap policies cover Medicare Part A hospice care coinsurance or copayment and Medicare Part B coinsurance and copayment. SNF care coinsurance and Medicare Part A deductible are covered under some Medigap policies, but not all. (p. 25)

Lesson 4 – Part C – Medicare Advantage
(from p. 34)



Answer the following questions:

1. Medicare Advantage (MA) plans are also known as
 - a. Part A
 - b. Part B
 - c. Part C
 - d. Part D



ANSWER: c. MA is also called Part C. (p. 30)

2. True or False: If you enroll in an MA plan, you are no longer considered to be in the Medicare program.
 - a. True
 - b. False

ANSWER: b. False. If you enroll in an MA plan, you are still in Medicare with all rights and protections. (p. 31)

Answer Key (continued)

Check Your Knowledge Lesson 5 – Part D – Medicare Prescription Drug Coverage (from p. 41)



Answer the following questions:

1. True or False: You will be automatically enrolled in Medicare Part D when you turn 65.
 - a. True
 - b. False

ANSWER: b. False. Medicare Part D is optional. In most cases, you must enroll in a Medicare drug plan to get Medicare Prescription Drug Coverage. (p. 36)



2. How can you get help in finding a Medicare Prescription Drug Plan (PDP)? Select all that apply.
 - a. Call the Social Security Administration (SSA)
 - b. Call your State Health Insurance Assistance Program (SHIP)
 - c. Use the Medicare Plan Finder at www.medicare.gov
 - d. Call 1-800-MEDICARE

ANSWER: b, c and d. There is help available to find the Medicare drug plan for you. You can use the Medicare Plan Finder at www.medicare.gov/find-a-plan, call 1-800-MEDICARE, or call your SHIP. (p. 39)

Answer Key (continued)

Check Your Knowledge

Lesson 6 – Help for People With Limited Income and Resources (from p. 49)



Match the program with its description:

- | | |
|-----------------------------|---|
| a. Extra Help | <u> c </u> This program provides low-cost health insurance coverage to children in families who earn too much income to qualify for Medicaid, but not enough to buy private health insurance. |
| b. Medicaid | <u> d </u> This program provides help from Medicaid paying Medicare costs, including Medicare premiums, deductibles, and/or coinsurance; often has higher income and resource guidelines than full Medicaid. |
| c. CHIP | <u> a </u> This program helps people with limited income and resources with the costs of Medicare prescription drug coverage. Also called LIS. |
| d. Medicare Savings Program | <u> b </u> This program helps pay medical costs for some people with limited income and resources; it is jointly funded by the federal and state governments and is administered by each state. |

ANSWER: See p. 43-48.



Answer Key (continued)

Check Your Knowledge Lesson 7 – What Resources Are Available to Help? (from p. 54)



Answer the following question:

What website would Carrie visit if she wanted to do the following tasks? Match the website with the task.

- | | |
|---|---|
| a. www.medicare.gov | <u> c </u> Apply for Medicare |
| b. www.healthcare.gov | <u> a </u> Compare Medicare health and drug plans |
| c. www.socialsecurity.gov | <u> b </u> Learn about the new Health Insurance Marketplace |

ANSWER: See p. 51-53.



Acronyms

ALS	Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare & Medicaid Services
CPI	Consumer Price Index
DME	Durable Medical Equipment
ESRD	End-Stage Renal Disease
FICA	Federal Insurance Contributions Act
FPL	Federal Poverty Level
GHPs	Group Health Plans
HMO	Health Maintenance Organization
HSA	Health Savings Account
IEP	Initial Enrollment Period
IRS	Internal Revenue Service
LIS	Low-income subsidy
MA	Medicare Advantage
MSP	Medicare Savings Programs
PDP	Prescription Drug Plans
PPO	Preferred Provider Organization
QI	Qualified Individual
QMB	Qualified Medicare Beneficiary
RRB	Railroad Retirement Board
SHIP	State Health Insurance Assistance Program
SLMB	Specified Low-income Medicare Beneficiary
SNF	Skilled Nursing Facility
SSA	Social Security Administration
SSI	Supplemental Security Income
VA	Veterans Affairs

Index

- Children's Health Insurance Program (CHIP), 2, 42, 47, 49, 57, 64
- Coinsurance. *See* Copayment
- Copayment, 5, 18, 24, 25, 26, 29, 36, 44, 46, 49, 61, 64
- Coverage
 - Creditable Coverage, 38, 40
 - Prescription Drug Coverage, 2, 5, 10, 12, 31, 35, 36, 38, 40, 46, 49, 59, 63, 64
- Deductible, 5, 15, 18, 24, 25, 26, 29, 36, 44, 45, 46, 49, 61, 64
- Disability Benefits, 3, 6, 20
- Durable Medical Equipment, 5, 13, 23, 60
- End-Stage Renal Disease (ESRD), 3, 22, 32, 33
- Enrollment
 - General Enrollment Period, 22
 - Initial Enrollment Period, 6, 9, 20, 21, 32, 34, 38
 - Open Enrollment Period, 27, 32, 34, 38
 - Special Enrollment Period, 17, 19, 21, 22, 32, 34, 38
- Extra Help, 36, 38, 40, 42, 46, 49, 52, 64
- Formulary, 36
- Group Health Plan (GHP), 17, 19, 22, 40
- Health Savings Account (HSA), 19
- Late Enrollment Penalty, 22, 40, 46
- Limited Income, 14, 18, 36, 37, 42, 43, 46, 48, 49, 56, 57, 64
- Medicare
 - Part A (Hospital Insurance), 5, 6, 7, 8, 10, 11, 12, 13, 14, 19, 20, 21, 25, 27, 29, 31, 32, 33, 37, 38, 44, 45, 59, 61, 62
 - Part B (Medical Insurance), 5, 6, 7, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 29, 31, 32, 33, 37, 38, 45, 59, 60, 61, 62
 - Part C (Medicare Advantage), 5, 10, 11, 12, 21, 24, 26, 29, 30, 31, 32, 33, 34, 35, 59, 61, 62
 - Part D (Medicare Prescription Drug Coverage), 5, 10, 11, 32, 33, 35, 36, 39, 40, 41, 46, 59, 62, 63
- Medicare Advantage (MA). *See* Medicare Part C (Medicare Advantage)
- Medicare Savings Program (MSP), 42, 44, 45, 46, 49, 64
- Medigap Policy, 11, 12, 21, 24, 25, 26, 27, 28, 29, 33, 61
- Prescription Drug Plan (PDP). *See* Medicare Part D (Prescription Drug Plan)
- Railroad Retirement Board, 3, 4, 6, 7, 8, 10, 19, 20, 59
- Services
 - Home Health Care, 5, 13, 43
 - Hospice Care, 5, 13, 25, 29, 61
 - Inpatient, 5, 13, 15, 16
 - Outpatient, 5, 13, 60
 - Preventive, 5, 13, 18, 23, 60
 - Surgical, 13, 60
- Skilled Nursing Facility (SNF), 5, 13, 15, 16, 23, 25, 29, 60, 61
- State Health Insurance Assistance Program (SHIP), 28, 39, 41, 43, 48, 51, 55, 63
- Substantial Gainful Activity (SGA), 45
- TRICARE, 21, 40



Website: [cms.gov/www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram](https://www.cms.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram)

E-mail training@cms.hhs.gov

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Baltimore, MD 21244